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INTERNAL OVERSIGHT

Karl Theodor PASCHKE, United Nations Under-Secretary-General for Internal Oversight Services, discusses the latest comprehensive report on the activities of his office. According to Mr. Paschke, the United Nations Secretariat is not well managed and would benefit from a new and better structured management culture. Mr. Paschke acknowledges that many managers do not welcome any audit or evaluation of their work, and there have been attempts to slow down, stall or discredit the work of his office. Change is a slow process; it will take a long time to achieve results. There is a lack of communication both horizontally, among the different departments and offices of the Secretariat, and vertically, between management and staff.

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ANNOUNCER: From United Nations Headquarters in New York, this is **World Chronicle**, an unedited interview programme about major global issues. Here now to introduce our guest is the host of today's **World Chronicle**.

LITTLEJOHNS: I'm Michael Littlejohns, and this is **World Chronicle**.

In 1994, to streamline and enhance the effectiveness of one of the main organs of the United Nations – the Secretariat – the United Nations General Assembly established the Office of Internal Oversight Services. This Office recently issued its second comprehensive report*, covering its activities during the twelve-month period ending June 1996. What are the findings of the report? And how do they contribute to the overall management and organizational effort of the UN Secretariat?

Our guest today is the chief architect of the report. He is Karl Theodor Paschke, United Nations Under-Secretary-General for Internal Oversight Services. Joining me to talk with Mr. Paschke are Bhaskar Menon of the *International Documents Review* and Afsane Bassir Pour of *Le Monde*.

Mr. Paschke, welcome to World Chronicle.

PASCHKE: Thank you.

LITTLEJOHNS: You've been called the inspector-general, so I'm tempted to begin by saying "Mr. Inspector-General". Before your Office of Internal Oversight Services was set up, there were all these tales of corruption, waste, abuse, sexual harassment – all the ills that were attached to the Secretariat of the United Nations. But it seems to a lot of people that both of your reports that have come out so far have been rather tame. Does this mean that the charges that were made against members of the Secretariat were perhaps exaggerated, or have they managed to cover their tracks?

PASCHKE: Well, first of all, I have to respectfully enter dissent that my reports are tame. I think they are factual. They are fact-oriented, and they attempt to spell out our findings and our recommendations.

LITTLEJOHNS: Excuse me, Mr. Paschke, I meant tame in the sense that you really haven't uncovered a lot of wrongdoing.

PASCHKE: Well, I happen to believe that indeed the problem of this organization is not that a lot of people in this organization commit wrongdoing. I don't think there is more fraud in this organization than in any other comparable institution of public service around the world. I don't think that the United Nations is rotten to the core, as some observers seem to suggest. I believe the problem in this organization is that it is not particularly well

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* Report of the Office of Internal Oversight Services for the period from 1 July 1995 to 30 June 1996.

managed, and that it is run by people who are, in most cases, very impressive experts in a substantive field but have never been hired to work in this organization because of their management skills. Therefore, I believe what this organization needs is a new, a better, a better-structured management culture. And this is what my Office has aimed at from the beginning. The report that I issue in a 12-month cycle reflects our findings and recommendations, and most, or I should say all of our recommendations are geared at improving the management procedures, the management culture of this organization. This is nothing that is particularly sensational. We are not, as I have said many times before, the grand inquisitor who comes out to reveal wrongdoing large scale, if there is none. I don't think that my Office has at any time attempted to come out with a big kill. We think that the main difference that we make is that we are providing independent, credible and effective oversight to this organization, and I think that is where we make the difference between –

LITTLEJOHNS: Mr. Paschke, how can your auditors improve management skills? I mean, your people are not all MBAs, are they? What kind of qualifications do you seek in your staff in the Office?

PASCHKE: Well, if you're talking about Audit, I think I should immediately say that it has indeed been my intention to change, to refocus the work of the Audit Division. And it's not accidental –

LITTLEJOHNS: The Audit Division of your office?

PASCHKE: Yes. It is not accidental that this Division is now called the Audit and Management Consulting Division. I have hired a number of people, a number of auditors who are particularly skilled in management audit, and I have redirected the work of this Audit Office to look for the aspect of value for money. We do go beyond what is usually described as the traditional form of audit, where you look for compliance with rules and regulations and at the accuracy of financial transactions; we go beyond that. We look for value for money; we analyze procedures – and our recommendations are specifically intended to improve procedures in this organization. And, God knows, the procedures in this organization need improvement, need streamlining, and need to be more rational than they have been in the past.

MENON: Mr. Paschke, your report, and I read from it, says that you've "been confronted, during the reporting period, with some attempts to slow down, stall or discredit" your work. What do you mean?

PASCHKE: In this organization, as in any other organization, oversight is not particularly enthusiastically received. I think that is quite normal. I have seen this type of reaction in other administrations to the findings and recommendations of oversight, and of

course in the United Nations, which did not have an independent and effective internal oversight mechanism for almost 50 years, it takes some time before this organization gets used to this type of work. Managers have not been particularly willing to accept criticism, and particularly criticism that is spelled out in a report that reaches the General Assembly and thereby the general public, is looked at critically by the press. And indeed the media, of course, as your first question has indicated, would hope that this report might confirm some of the clichés that are out there about the United Nations. So managers have not been particularly forthcoming. But I have to say that I see a growing degree of acceptance for our Office.

MENON: But what do you mean precisely when you say—this seems to imply gross bad faith on the part of managers—when you say "discredit your efforts"? What do you mean by "discredit your efforts"?

PASCHKE: Well, one of the reactions that I have received every once in a while when a finding was not particularly convenient for a manager was that the manager would then suggest that maybe my auditors or my evaluators or my inspectors have not been qualified to judge a particularly intricate situation, that they do not have the professionalism to judge a situation in which the manager feels he has done it for 20 years, and therefore it cannot be wrong. But once again, I have to say, first of all, this is gradually fading away, this resistance, and more and more managers come to the conclusion that, indeed, the work we do is beneficial for them. If we analyze a situation, a procedure, and then make suggestions how to improve it, then, more often than not, managers, after a while, and after a first defensive reaction, seem to understand that, yes, we have a point here, and maybe they are better off if they do as we suggest.

BASSIR POUR: Mr. Paschke, without going for the big kill, as you were saying, can we expect a sort of a final report that will say definitely these are the things that should be done, these are the facts and figures, maybe even some finger-pointing at Member States or staff, or will this be an ongoing process whereby you have an annual report every year?

PASCHKE: Yes. The resolution which established my Office in the summer of 1994 clearly makes this a new element or a new component of the management culture of the United Nations. This is supposed to be a work that is continuous, and I believe, indeed, that every public institution, every public administration, needs continuously to be serviced by an oversight mechanism. Our work is not spotty; our work is not going for the sensation; our work is the continuous attempt to look over the shoulders of people who are working here, to heighten their conscience for the fiscal elements in what they're doing, to tell them that indeed they are handling taxpayers' money, and therefore they have to handle it responsibly. This is an ongoing task, and therefore we will continuously, every year, report, as the

resolution requests, to the General Assembly. But once again I have to also point to the fact that our individual findings are submitted through the Secretary-General to the General Assembly, so this report that we are discussing right now is just the digest of all of the work that we have done during that 12-month period.

BASSIR POUR: You spoke of the necessity of this Office. I seem to remember that it was – or at least it lingers in the mind of people who don't work here that it was imposed on the UN by Washington. Would your Office have been created had Washington not made such a public show of wanting it?

PASCHKE: That's a theoretical question, I would say. Many things in the United Nations happen because one Member State or one group of Member States decide that they want this to be done. And the genesis of the resolution 48/218B of the summer of 1994, which created this Office, suggests that the United Nations started this drive for an institution that was comparable to the American inspector-general mechanism in 1993. But my understanding is that very soon a lot of Member States joined this drive, and, after all, don't forget that this resolution then was adopted by consensus, which means that a majority, an overwhelming majority of Member States at least understood that there was some value in creating this Office. And I –

LITTLEJOHNS: But they had to be dragged kicking and screaming to that admission.

BASSIR POUR: At the beginning.

LITTLEJOHNS: I mean, there was a lot of – as Afsane says, there was a lot of reluctance to the idea initially.

PASCHKE: Well, I – of course I was not here when the Office was created, I was not here when the resolution was negotiated. But I've done some reading about it, I've heard some people talk about it, and I've come to the conclusion that, while there may have been some kicking and screaming, this kicking and screaming may have been caused by the fear that this Office would actually be used to curtail, to limit, to downsize programmes that were particularly meant to serve the development of the third world, and that the major donors would use this Office as some kind of a tool to squeeze those kinds of programmes. So I understood my role from the first day on as also trying to disperse those apprehensions and to say clearly – and I've said so from the first day on – that my understanding of the role of this Office was different, that indeed – and I'm repeating myself here – that the main role of this Office was to provide this organization with a continuous, effective and independent oversight.

LITTLEJOHNS: This is **World Chronicle**. Our guest is Karl Theodor Paschke, United Nations Under-Secretary-General for Internal Oversight Services.

Mr. Paschke, tell me, why is management so sloppy?

PASCHKE: I'm sorry?

LITTLEJOHNS: Why is management so sloppy in the UN?

PASCHKE: Well, as I said earlier, management has for a long time not been recognized as a major feature of this organization.

LITTLEJOHNS: But why could that be, after 50 years? I mean, what kind of people have they been hiring for managerial jobs if they don't require management skills?

PASCHKE: Well, we would have to discuss the question what is a managerial job. I happen to believe that any kind of job that has to do with leadership, any kind of job that attempts to achieve substantive goals, but does so with the help of other people, is a management job. The management skills that are required in this organization, as in any other public administration, have particularly to do with human resources management. You need to lead people, you need to organize the work of people efficiently and effectively. And this is something that in my view has been terribly underdeveloped in the United Nations for a long time.

MENON: Why is that? Are diplomats congenitally or constitutionally incapable of managing human resources?

PASCHKE: Well, of course –

LITTLEJOHNS: Diplomats? Why do you say diplomats?

MENON: Because the UN is essentially a diplomatic organization, and it draws its people, its leaders, from the diplomatic world.

PASCHKE: Yes. Well, I mean, I will have to answer this question somewhat tongue in cheek, because I happen to be –

LITTLEJOHNS: A former diplomat.

PASCHKE: – coming from that profession myself. But I have had so many management jobs in my previous incarnation that I think I know what I'm talking about. What I've said before I think holds true, that in the United Nations people have never, or very rarely, been hired because of their management skills, only because of their substantive skills. And their substantive skills in this organization are admirable, remarkable.

MENON: Over the year, your Office itself was audited by the Board of External Auditors.

PASCHKE: Yes, yes.

MENON: And you say that you found this quite helpful. What did they find? What were the major deficiencies that they found in your organization?

PASCHKE: Well, for instance, they looked at the Audit Division, and actually the audit that they did was a follow-up audit on an audit that they had done earlier, in 1992, if I remember correctly.

LITTLEJOHNS: But your Office didn't exist in '92.

PASCHKE: No, no, but the Internal Audit Division at that time existed as part of the Department of Administration and Management, and had therefore no independent role to play. At that time, they felt that the office was under-staffed and also that the qualification of some of the auditors left something to be desired, that there were too many junior auditors, that the structure of the office was kind of deficient, and that also, of course, the coverage of the office was spotty rather than systematic. This audit has found out that most of these deficiencies have indeed been cured. The external auditors were particularly appreciative of the fact that we have now developed a comprehensive annual audit plan, so that our work has become more predictable, predictable not only to our clients, but predictable also to those who work in this Office. They have become more conscious of the strategy that we follow, and I have to say that all of my auditors have enthusiastically embraced the new approach to auditing that I have described earlier. They feel that this is a useful approach and will help this organization to become better.

BASSIR POUR: Mr. Paschke, I see that you've also created what you call a "lessons learned unit". Now what are these –

PASCHKE: I have not created it, but the Department of Peace-keeping Operations has created it at our suggestion.

BASSIR POUR: Oh, okay. I was just going to say, what lessons have you learned, and what has surprised you the most in your 20 months of overseeing the United Nations?

PASCHKE: Well, certainly I have learned lessons with regard to the ambitions that I had to change things around quickly. It is something that takes a lot of time in this organization, and of course I could give you a number of reasons why that is the case, but I'll only cite one reason. This organization, of course, is run by a board of directors, as I always say, of 185 members. Of course, I'm talking about the Member States.

LITTLEJOHNS: Some very poor and some very rich.

PASCHKE: Yes. And I'm talking about the 185 Member States who run this organization through the General Assembly and through the different committees.

MENON: But is that really true? Do they really run the organization? Because, you know, over the last few days there have been revelations that the Secretariat has been taping the informal consultations of these Member States, and those of us who work here and follow the UN closely know that the General Assembly is very open to manipulation by the Secretariat.

PASCHKE: I don't see it that way. I don't think that the General Assembly or an of the committees is really easily manipulated by the Secretariat. No, I see it, of course, from the other vantage point, and I believe that there is not enough guidance coming from Member States; the fact that Member States have very different perceptions of what this organization is and what it should do is obviously the reason why we do not have a very stringent guidance from Member States. And that's why, yes, in some cases the Secretariat has to fill a void. But on the other hand, very quick, swift and effective decisions can in many cases not be made by the Secretariat without the blessing of Member States, and the blessing of Member States is not easily obtained.

BASSIR POUR: You were telling me what surprised you in your 20 months here.

PASCHKE: I think this was the main surprise for me.

BASSIR POUR: How slow the changes come about. Yes.

PASCHKE: Yes. The other question that you asked was about the major findings and also maybe the major frustrations. And here I have to once again cite what I have bee preaching all along, the lack of horizontal communication in this organization.

LITTLEJOHNS: What does that mean, Mr. Paschke?

PASCHKE: Well, first of all, I don't think there's enough communication, enough back and forth of information between the different departments in the different areas of substantive activities.

LITTLEJOHNS: And between managers and their staffs as well?

PASCHKE: Yes. I mean – I'm first of all talking about horizontal communication. also find the vertical communication deficient. I think there is not enough communication between managers and staff. And that is, indeed, one of the management deficiencies that detect. There is also, in my view, too little communication between the different headquarters. And certainly –

LITTLEJOHNS: You mean New York, Geneva, Vienna –

PASCHKE: New York, Geneva, yes.

LITTLEJOHNS: – the regional centres?

PASCHKE: Yes. This brings me back to the lessons learned idea, which I promot throughout the organization. Only recently have I suggested that, indeed, communication lessons learned in one headquarters should be shared systematically with other headquarter so that the same mistakes that have been once made and then later on corrected in one headquarters should not be made again in another headquarters. And this is one of the things that I think still needs to be attended to.

LITTLEJOHNS: A section of your report was quite critical of the situation in what you might call the European headquarters, the European office in Geneva. Would you say that Geneva is in worse shape than the main headquarters here in New York?

PASCHKE: I think every headquarters has a style, an atmosphere, an environment of its own. The Geneva headquarters is characterized by the environment in the city, with these many different United Nations organizations – funds, programmes, agencies – and a relatively small central United Nations Office in Geneva. This situation of course causes certain, well, confusions, and also, of course, certain inconsistencies in leadership. Because most of the agencies in Geneva, of course, are fiercely independent and would not easily accommodate the efforts by the head of the UNOG to coordinate and to –

LITTLEJOHNS: UNOG, what's that?

PASCHKE: UNOG is the United Nations Office in Geneva.

LITTLEJOHNS: I see. So what you're saying is that they try to establish a degree of autonomy from the Secretary-General here in New York?

PASCHKE: Yes. Of course, they –

LITTLEJOHNS: Because the head of the Geneva office happens to be a Russian, whereas the Secretary-General of course is Egyptian. The current Secretary-General.

PASCHKE: No, no. That is not what I'm saying. On the contrary, I think Under-Secretary-General Petrovsky, who is the head of UNOG, makes a very conscientious effort to coordinate what is happening in Geneva, but the fact that, as I said, there are so many individual entities and institutions in Geneva who are very proud of and very mindful of their autonomy makes his efforts particularly difficult.

LITTLEJOHNS: Mr. Paschke, you've been a very interesting guest, but we have only 28 minutes. That's all the time we have for this programme. Thank you for being with us on this edition of **World Chronicle**.

Our guest has been Karl Theodor Paschke, United Nations Under-Secretary-General for Internal Oversight Services. He was interviewed by Bhaskar Menon of *International Documents Review* and Afsane Bassir Pour of *Le Monde*. I'm Michael Littlejohns. Thank you for joining us. We invite you to be with us for the next edition of **World Chronicle**.

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